

RESOLUTION NO. LFC-2

A RESOLUTION ADOPTING BYLAWS AND
DESIGNATING TIME AND PLACE OF
ANNUAL MEETING OF THE LODI
FINANCING CORPORATION

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RESOLVED, by the Board of Directors of the Lodi Financing Corporation, that the Bylaws of the Lodi Public Improvement Corporation, in the form hereto attached and incorporated herein by reference, are hereby adopted and approved and shall stand as the Bylaws of this Corporation until valid amendment thereof; and

BE IT FURTHER RESOLVED, by the Board of Directors of the Lodi Financing Corporation that the first Wednesday in December of each year at the hour of 7:00 p.m., or as soon thereafter as can be heard, at the Carnegie Forum, 305 West Pine Street, Lodi, California, is hereby appointed as the time and place for the annual meeting of this Board pursuant to Article III, Section 3.05 of the Bylaws of this Corporation.

Dated: November 3, 1999

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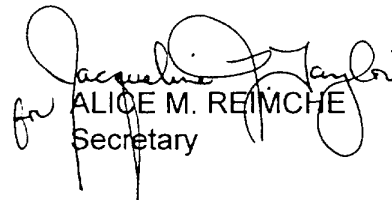
I hereby certify that Resolution No. LFC-2 was passed and adopted by the Board of Directors of the Lodi Financing Corporation in a regular meeting held November 3, 1999, by the following vote:

AYES: DIRECTORS – Hitchcock, Mann, Nakanishi, Pennino and Land
(President)

NOES: DIRECTORS – None

ABSENT: DIRECTORS – None

ABSTAIN: DIRECTORS – None


for ALICE M. REIMCHE
Secretary

BYLAWS
OF THE
LODI FINANCING CORPORATION

ARTICLE I

NAME, ORGANIZATION AND PURPOSE

Principal Office

Section 1.01. Name. The name of this corporation is the LODI FINANCING CORPORATION (hereinafter referred to as the "Corporation").

Section 1.02. Organization, Purpose and Use of Funds. The Corporation is a nonprofit public benefit corporation organized under the Nonprofit Public Benefit Corporation Law of the State of California to provide financial assistance to the City of Lodi (the "City"), by assisting the City with the financing of the costs of its environmental abatement program, thus enhancing the water supply of the City for the use, benefit and enjoyment of the public served by the City and any other purpose incidental thereto. The activities of the Corporation shall be limited to the activities described in its Articles of Incorporation. No gains, profits or dividends shall be distributed to any of the Directors or officers of the Corporation; and no part of the net earnings, funds or assets of the Corporation shall inure to the benefit of any Director or any other person, firm or Corporation excepting only the City.

Section 1.03. Principal Office. The principal office of the Corporation is hereby fixed and located at the offices of the City of Lodi, 221 West Pine Street, Lodi, California 95241-1910. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another. Any such change shall be noted by the Secretary opposite this section, but shall not be considered an amendment to these Bylaws.

ARTICLE II

NO MEMBERS

Section 2.01. No Members. Pursuant to Section 5310 of the Nonprofit Public Benefit Corporation Law, the bylaws of a nonprofit corporation may provide that the corporation shall have no members. The Corporation shall have no members.

ARTICLE III

DIRECTORS

Section 3.01. Powers. Subject to limitations of the Articles of Incorporation or the Bylaws, and of the California Nonprofit Public Benefit Corporation Law, and subject to the

duties of Directors as prescribed by the Bylaws, all powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Directors. No Director shall be responsible for any error in judgment or for anything that he or she may do or refrain from doing in good faith. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers, to wit:

First - to select and remove all of the other officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law, the Articles of Incorporation or the Bylaws, fix their compensation and require from them security for faithful service;

Second - to conduct, manage and control the affairs and business of the Corporation and to make such rules and regulations therefor not inconsistent with law, the Articles of Incorporation or the Bylaws, as the Directors may deem best; and

Third - to borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefor, in the name of the Corporation, promissory notes, bonds, certificates of participation, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

Section 3.02. Number of Directors. The authorized number of Directors shall be five until changed by amendment of the Articles of Incorporation or by amendment of the Bylaws. Directors are collectively to be known as the Board of Directors.

Section 3.03. Selection and Term of Office. The Board of Directors shall be constituted based upon the approval and appointment of the Lodi City Council (the "City Council"), and no person shall be eligible to serve as a Director except a person initially approved by resolution of the City Council. The initial Directors of the Corporation shall be the members of the City Council. Except as hereinafter provided, each Director shall hold office for a term concurrent with such Director's term as a member of the City Council. Unless a vacancy in the office occurs as herein provided, the Director appointed shall hold office until the expiration of his/her term and until a successor has been designated and has accepted the office. The Board of Directors of the Corporation by a two-thirds vote may remove any Director from office, with or without cause.

Section 3.04. Vacancies. Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any Director may resign effective upon giving written notice to the President, the Secretary or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation, or removal of any Director, or if the authorized number of Directors is increased.

Vacancies in the Board shall be filled in the same manner as the Director whose office is vacant was selected. Each Director so selected shall hold office until the expiration of the term of the replaced Director and until a successor has been selected and has accepted the office.

Section 3.05. Organization and Annual Meetings. The Board of Directors shall hold an annual meeting for the purpose of organization, selection of officers, and the transaction of other business. Annual meetings of the Board shall be held without call or notice on _____. Pending such organization meeting, all officers of the Corporation shall hold over, except any officer required by law or these Bylaws to be a Director and who does not qualify as a Director. A Director elected at such meeting of the Board of Directors shall forthwith become a member of the Board of Directors for purposes of such organization.

In the event such an organizational meeting shall not occur at the annual meeting, it shall thereafter be held at the next regular meeting or at a special meeting, and notice thereof shall be given in the manner provided in Section 3.07 hereof for notice of special meetings.

Section 3.06. Regular Meetings. The Board of Directors by resolution may provide for the holding of regular meetings and may fix the time and place of holding such meetings. Notice of regular meetings need not be given.

Section 3.07. Special Meetings; Notice Waiver. A special meeting of the Board of Directors shall be held whenever called by the President or by a majority of the Directors. Written notice of each such meeting shall be delivered personally or by telegram to each Director at least 48 hours before the time of such meeting or shall be sent to each Director by mail, charges prepaid, at least four days before the time of such meeting as specified in the notice. The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. The call and notice shall signify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meeting by the Board of Directors. Notice of adjournment of a meeting need not be given to absent Directors if the time and place are fixed at the meeting adjourned. The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting held after regular call and notice, if a quorum is present; provided, however, that before the meeting, each of the Directors not present signs a written waiver of notice and files said written waiver of notice with the Secretary; and provided further, that notice be given to each local newspaper of general circulation, radio or television station requesting notice in writing pursuant to Government Code Section 54956. All waivers shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 3.08. Adjourned Meetings; Notice of Adjournment. The Board of Directors may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was

held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

Section 3.09. Quorum. A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation.

Section 3.10. Fees and Compensation. Directors shall receive no compensation, but each Director may be reimbursed his or her necessary and actual expenses, including travel incident to his services as Director, pursuant to resolution of the Board of Directors. Any Director may elect, however, to decline said reimbursement.

Section 3.11. Nonliability for Debts. The private property of the Directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Corporation, and no Director shall be liable or responsible for any debts, liabilities or obligations of the Corporation.

Section 3.12. Indemnity by Corporation for Litigation Expenses of Officer, Director or Employee. Should any Director, officer or employee of the Corporation be sued, either alone or with others, because he is or was a Director, officer or employee of the Corporation, in any proceeding arising out of his alleged misfeasance or nonfeasance in the performance of his duties or out of any alleged wrongful act against the Corporation or by the Corporation, indemnity for his reasonable expenses, including attorneys' fees incurred in the defense of the proceedings, may be assessed against the Corporation, its receiver, or its director by the court in the same or a separate proceeding if the person sued acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The amount of such indemnity shall be so much of the expenses, including attorneys' fees, incurred in the defense of the proceeding, as the court determines and finds to be reasonable.

Section 3.13. Ralph M. Brown Act. Notwithstanding any of the provisions of these Bylaws to the contrary, all meetings of Directors shall be subject to the Ralph M. Brown Act, commencing at Section 54950 of the Government Code of the State of California.

Section 3.14. Conduct of Meetings. The President or, in the President's absence, the Vice President, or a Chairman chosen by a majority of the Directors present, shall preside.

ARTICLE IV

OFFICERS

Section 4.01. Officers. The officers of the Corporation shall be a President, a Vice President, Secretary and a Treasurer. The Corporation may also have, at the discretion of the Board of Directors, one or more additional Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed by the Board of

Directors. One person may hold two or more offices, except that the offices of President and Secretary may not be combined.

Section 4.02. Designation and Election. The President of the Corporation shall be the then-current Mayor of the City; the Vice President of the Corporation shall be the then-current Mayor *pro tem* of the City; the Secretary of the Corporation shall be the then-current City Clerk of the City; the Treasurer of the Corporation shall be the then-current Finance Director of the City of Lodi; and the Legal Counsel to the Corporation shall be the then-current City Attorney of the City. Any other officers of the Corporation shall be chosen by the Board of Directors. Each officer shall hold office until the officer shall resign, be removed, or otherwise become disqualified to serve, or the officer's successor shall be elected and qualified.

Section 4.03. Removal and Resignation. Any officer may resign, or may be removed, with or without cause, by the Board of Directors at any time. Vacancies caused by death, resignation or removal of any officer may be filled by appointment by the Board of Directors, or by the President until such appointment by the Board of Directors.

Section 4.04. President. The President shall be the executive officer of the Corporation and, subject to the control of the Board of Directors, shall have general supervision, direction and control of the affairs of the Corporation. The President shall preside at all meetings of members and meetings of the Board of Directors. The President shall be ex officio member of all standing committees, shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these Bylaws.

Section 4.05. Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for the Vice President by the Board of Directors or by the Bylaws.

Section 4.06. Secretary. The Secretary shall keep at the principal office of the Corporation a book of minutes of all meetings of Directors, with the time and place of holding, how called or authorized, the notice thereof given, and the names of those present at such meetings. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors of the Corporation, shall keep the corporate records in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 4.07. Treasurer. The Treasurer shall be the chief financial officer of the Corporation and shall keep and maintain adequate and correct books of account showing the receipts and disbursements of the Corporation and an account of its cash and other assets, if any. Such books of account shall at all reasonable times be open to inspection by any Director. The Treasurer shall deposit all moneys of the Corporation with such depositories as are designated by the Board of Directors, and shall disburse the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President or the Board of Directors, upon request, statements of the financial condition of the Corporation.

Section 4.08. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and the Assistant Treasurers in the order of their seniority as specified by the Directors shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of the Secretary or Treasurer and shall perform such duties as the Board of Directors shall prescribe.

Section 4.09. Subordinate Officers. Subordinate officers shall perform such duties as shall be prescribed from time to time by the Board of Directors or the President.

ARTICLE V

MISCELLANEOUS

Section 5.01. Execution of Documents. The Board of Directors may authorize any officer or officers as agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or other person shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 5.02. Inspection of Bylaws. The Corporation shall keep in its principal office the original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members and the Directors at all reasonable times during office hours.

Section 5.03. Annual Report. The annual report referred to in Section 6321 of the Nonprofit Public Benefit Corporation Law of the State of California is expressly dispensed with.

Section 5.04. Fiscal Year. The fiscal year of the Corporation shall begin July 1 and end June 30 of each year, except for the first fiscal year which shall run from the date of incorporation to June 30, 2000.

Section 5.05. Dissolution. The Corporation may be dissolved by vote of the Directors, or by the action of the Board of Directors in accordance with the provisions of California law. In the event of dissolution of the Corporation in any manner and for any cause, after the payment or adequate provision for the payment of all of its debts and liabilities, all of the remaining funds, assets and properties of the Corporation shall be paid or distributed to the City. If for any reason the City is unable or unwilling to accept the assets of the Corporation, said assets will be distributed to the Federal Government; to a state or local government for public purposes; or to a nonprofit fund, foundation, or corporation which is organized and operated for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended.

Section 5.06. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the Nonprofit Public Benefit Corporation Law of the State of California shall govern the construction of these Bylaws. If any section, subsection, sentence, clause or phrase of these Bylaws, or the application thereof, is contrary to the Nonprofit Public Benefit Corporation Law of the State of California, the

provisions of that law shall prevail. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person.

ARTICLE VI

GENERAL PROVISIONS

Section 6.01. Payment of Money, Signatures. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and any and all securities owned by or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors.

Section 6.02. Annual Audit. The affairs and financial condition of the Corporation shall be audited annually at the end of each fiscal year (as provided in Section 5.04 above) commencing with fiscal year 1999-2000 by an independent certified public accountant selected by the Board of Directors, and a written report of such audit and appropriate financial statements shall be submitted to the Board of Directors prior to the next regular meeting of the Board of Directors of the Corporation following the completion of such audit. Additional audits may be authorized as considered necessary or desirable by the Board of Directors.

ARTICLE VII

EXEMPT ACTIVITIES

Section 7.01. Exempt Activities. Notwithstanding any other provisions of these Bylaws, no Director, officer, employee or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

ARTICLE VIII

AMENDMENTS

Section 8.01. Power of Directors. New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote of the Board of Directors. No amendment to these Bylaws shall be effective until approved by the Board of Directors.

ADOPTED by the Board of Directors of the Lodi Financing Corporation on _____
____, 1999.

By: _____
Secretary

SECRETARY'S CERTIFICATE

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of the Lodi Financing Corporation, a California nonprofit public benefit corporation; and
2. That the foregoing Bylaws constitute a full, true and correct copy of the Bylaws of said Corporation in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, 1999.

By _____
Secretary

RESOLUTION NO. 90-2

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A RESOLUTION OF THE LODI PUBLIC IMPROVEMENT CORPORATION

AMENDING BYLAWS OF THE
LODI PUBLIC IMPROVEMENT CORPORATION

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RESOLVED BY THE BOARD OF DIRECTORS OF THE LODI PUBLIC IMPROVEMENT CORPORATION, that the Bylaws of such organization, duly adopted on the 4th day of May 1988 are hereby amended by the deletion in its entirety of Article V, Section 4, requiring an annual audit.

Dated: May 2, 1990


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I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the Board of Directors of the Lodi Public Improvement Corporation, at a meeting thereof duly held on the 2nd day of May, 1990, by the following vote of the Directors thereof:


AYES, and in favor thereof, Directors: Hinchman, Olson, Pinkerton,
Reid and Snider (Chairman)

NOES, Directors: None

ABSENT, Directors: None


Jennifer M. Perrin
Acting Secretary

Approved As To Form:



Bob McNatt
City Attorney

RESPIC90.2/TXTA.02J

RESOLUTION NO. 88-1

A RESOLUTION ADOPTING BYLAWS

LODI PUBLIC IMPROVEMENT CORPORATION

RESOLVED, by the Board of Directors of the Lodi Public Improvement Corporation, that the Bylaws of the Lodi Public Improvement Corporation, in the form hereto attached and incorporated herein by reference, are hereby adopted and approved and shall stand as the Bylaws of this Corporation until valid amendment thereof.

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the Board of Directors of the Lodi Public Improvement Corporation, at a meeting thereof duly held on the 4th day of May, 1988, by the following vote of the Directors thereof:

AYES, and in favor thereof, Directors: Hinchman, Olson, Reid, & Snider (Mayor
Pro Tempore)
NOES, Directors: None
ABSENT, Directors: Pinkerton

Alvin M. Bumsche
Secretary

Approved As To Form

BW McNatt
Bobby W. McNatt
City Attorney

BYLAWS
OF
LODI PUBLIC IMPROVEMENT CORPORATION

ARTICLE I

Offices and Seal

Section 1. **Offices.** The principal office of the Corporation for the transaction of business shall be 221 West Pine Street, Lodi, California 95240. The Board of Directors may, however, fix and change from time to time the principal office from one location to another by noting the change of address in the minutes of the meeting of the Board of Directors at which the address was fixed or changed. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

Section 2. **Seal.** The Corporation shall have a seal, consisting of two (2) concentric circles with the words "Lodi Public Improvement Corporation", with the date of incorporation of the Corporation.

ARTICLE II

Directors

Section 1. **Powers.** Subject to the limitations of the Articles of Incorporation of the Corporation, the terms of these Bylaws, and the laws of the State of California, the powers of the Corporation shall be vested in and exercised by and its property controlled and its affairs conducted by the Board of Directors.

Section 2. **Number.** The Corporation shall have five (5) Directors. Directors are collectively to be known as the Board of Directors. The number of Directors may be changed by a Bylaw or amendment thereof duly adopted by the Board of Directors.

Section 3. **Selection, Tenure of Office and Vacancies:** The individuals who act as the members of the City Council (the "City Council") of the City of Lodi, California (the "City") shall constitute the Board of Directors of the Corporation, and each member of the City Council shall be and remain a member of the Board of Directors of the Corporation for so long as such member remains a member of the City Council.

Section 4. **Compensation.** Directors shall serve without compensation but each Director may be reimbursed his or her necessary and actual expenses, including travel incident to his services as Director, pursuant to resolution of the Board of Directors. Any Director may elect, however, to decline said reimbursement.

Section 5. Organization Meetings. Immediately following the annual meeting of the Board of Directors or any special meeting of the Board of Directors at which Directors shall have been elected, the Directors shall meet for the purpose of organizing the Board, the election of officers and the transaction of such business as may come before the meeting. Pending such organization meeting, all officers of the Corporation shall hold over, except any officer required by law or these Bylaws to be a Director and who does not qualify as a Director. A Director elected at such meeting of the Board of Directors shall forthwith become a member of the Board of Directors for purposes of such organization.

In the event such an organizational meeting shall not be held immediately following such meeting of the Board of Directors, it shall thereafter be held at the next regular meeting or at a special meeting and notice thereof shall be given in the manner provided in Section 7 of this Article for notice of special meetings.

Section 6. Regular and Organizational Meetings. Regular meetings of the Board of Directors shall be held at such time as the Board may fix by resolution from time to time; provided, however, that at least one regular meeting shall be held each year and such meetings shall, in all respects, conform to provisions of the Ralph M. Brown Act, being Sections 54950 through 54961 of the Government Code of the State of California (the "Brown Act").

No notice of any organizational meeting of the Board of Directors, held immediately following the annual meeting of the Board of Directors or on or after any special meeting of the Board of Directors shall have been elected, need be given; provided, that if such an organizational meeting is not held immediately following such meeting of the Board of Directors, then notice thereof shall be given in a manner provided in Section 7 of this Article, in the same manner as notice of special meetings.

Section 7. Special Meetings. Special meetings of the Board of Directors shall be called, noticed and held in accordance with the provisions of Section 54956 of the Brown Act.

Section 8. Quorum. A quorum shall consist of a majority of the members of the Board of Directors unless a greater number is expressly required by statute, by the Articles of Incorporation of the Corporation, or by these Bylaws. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present, shall be the act of the Board of Directors.

Section 9. Order of Business. The order of business at the regular meeting of the Board of Directors and, so far as possible, at all other meetings of the Board of Directors, shall be essentially as follows, except as otherwise determined by the Directors at such meeting:

- (a) Report on the number of Directors present in person in order to determine the existence of a quorum.
- (b) Reading of the notice of the meeting and proof of the delivery or mailing thereof, or the waiver or waivers of notice of the meeting then filed, as the case may be.

- (c) Reading of unapproved minutes of previous meetings of the Board of Directors and the taking of action with respect to approval thereof.
- (d) Presentation and consideration of reports of officers and committees.
- (e) Unfinished business.
- (f) New business.
- (g) Adjournment.

Section 10. **Resignation of Directors.** Any Director of the Corporation may resign at any time by giving written notice to the President or to the Board of Directors; *provided, however,* in the event of such resignation, such Director's position shall remain vacant until a new member of the City Council is elected to fill such Director's position. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 11. **Nonliability for Debts.** The private property of the Directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Corporation and no Director shall be liable or responsible for any debts, liabilities or obligations of the Corporation.

Section 12. **Indemnity by Corporation for Litigation Expenses of Officer, Director or Employee.** Should any Director, officer or employee of the Corporation be sued, either alone or with others, because he is or was a director, officer or employee of the Corporation, in any proceeding arising out of his alleged misfeasance or nonfeasance in the performance of his duties or out of any alleged wrongful act against the Corporation or by the Corporation, indemnity for his reasonable expenses, including attorneys' fees incurred in the defense of the proceedings, may be assessed against the Corporation, its receiver, or its director by the court in the same or a separate proceeding if the person sued acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The amount of such indemnity shall be so much of the expenses, including attorneys' fees, incurred in the defense of the proceeding, as the court determines and finds to be reasonable.

ARTICLE III

Officers

Section 1. **Officers.** The officers of the Corporation shall be a President, a Vice President, a Secretary and such other officers as the Board of Directors may appoint. The Mayor of the City shall act *ex officio* as the President of the Corporation, the Mayor pro tem of the City shall act *ex officio* as the Vice President of the Corporation, and the City Clerk of the City shall act *ex officio* as the Secretary of the Corporation. The

Corporation may also have, at the discretion of the Board of Directors, one or more additional Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers. In addition to such officers, the Finance Director of the City, or his designee, shall act *ex officio* as the Treasurer of the Corporation; and the City Attorney of the City shall act *ex officio* as legal counsel to the Corporation.

Section 2. Election of Officers. The officers of the Corporation (other than the Treasurer and legal counsel to the Corporation) shall be chosen by and shall serve at the pleasure of the Board of Directors and each shall hold office until any such officer shall resign or shall be removed or otherwise disqualified to serve or any successor shall be elected and qualified to serve.

Section 3. Subordinate Officers. The Board of Directors may elect or authorize the appointment of such other officers than those hereinabove mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws, or as the Board of Directors from time to time may authorize or determine.

Section 4. Removal of Officers. Any officer may be removed, either with or without cause, by a majority of the Directors then in office at any regular or special meeting of the Board, or, except in the case of an officer chosen by the Board of Directors, by any officers upon whom such power of removal may be conferred by the Board of Directors. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board of Directors may delegate the powers and duties of such office to any officers or to any Directors until such time as a successor for said office has been elected and appointed.

Section 5. President. The President shall preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or be prescribed by the Bylaws.

The President shall also be the chief corporate officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the Board of Directors. He shall be *ex officio* member of all standing committees, and shall have the general powers and duties of management usually vested in the office of President of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or by these Bylaws.

Section 6. Vice President. In the absence or disability of the President, the Vice President, or the Vice Presidents in order of their ranks as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President and when so acting shall have all the powers of and be subject to all of the restrictions upon the President. The Vice Presidents shall have such other powers and perform such other duties as may from time to time be prescribed for them, respectively, by the Board of Directors or by these Bylaws.

Section 7. Secretary. The Secretary shall keep or cause to be kept a book of minutes at the principal office or at such other place as the Board of Directors may order, of all meetings of the Directors, with the time and place of holding, whether

regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings and the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors of the Corporation, shall keep the corporate records in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 8. Treasurer. The Treasurer shall keep and maintain or cause to be kept and maintained adequate and correct amounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any Director. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Directors. He shall disburse the funds of the Corporation as shall be ordered by the Board of Directors, shall render to the President and the Directors whenever they shall request it, an account of all of his transactions as Treasurer and of the financial condition of the Corporation, shall take proper vouchers for all disbursements of the funds of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

Section 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and the Assistant Treasurers in the order of their seniority as specified by the Directors shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of the Secretary or Treasurer and shall perform such duties as the Board of Directors shall prescribe.

ARTICLE IV

Objects and Purposes

Section 1. Nature of Objects and Purposes. The business of the Corporation is to be operated and conducted in the promotion of its objects and purposes as set forth in Article II of its Articles of Incorporation.

Section 2. Dissolution. The Corporation may be dissolved by vote of the Directors, or by the action of the Board of Directors in accordance with the provisions of California law. Upon the dissolution of the Corporation, and after payment or provision for payment, all debts and liabilities, the assets of the Corporation shall be distributed to the City. If for any reason the City is unable or unwilling to accept the assets of the Corporation, said assets will be distributed to the Federal Government; to a state or local government for public purposes; or to a nonprofit fund, foundation, or corporation which is organized and operated for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended.

Section 3. Merger. The Corporation may merge with other corporations organized solely for nonprofit purposes, qualified and exempt from Federal taxation pursuant to Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended, and

from State taxation, upon compliance with the provisions of California law relating to merger and consolidation.

ARTICLE V

General Provisions

Section 1. Payment of Money, Signatures. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and any and all securities owned by or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors.

Section 2. Execution of Contracts. The Board of Directors, except as in the Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount....

Section 3. Fiscal Year. The fiscal year of the Corporation shall commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year.

Section 4. Annual Audit. The affairs and financial condition of the Corporation shall be audited annually at the end of each fiscal year (as provided in Section 3 above) commencing with fiscal year 1988-1989 by an independent certified public accountant selected by the Board of Directors and a written report of such audit and appropriate financial statements shall be submitted to the Board of Directors prior to the next regular meeting of the Board of Directors of the Corporation following the completion of such audit. Additional audits may be authorized as considered necessary or desirable by the Board of Directors.

ARTICLE VI

Exempt Activities

Notwithstanding any other provisions of these Bylaws, no Director, officer, employee or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

ARTICLE VII

Amendment to Bylaws

These Bylaws may be amended by majority vote of the Board of Directors.

ADOPTED by the Board of Directors of the Lodi Public Improvement Corporation on May 4, 1988.

By Miss T. Burch
Secretary

SECRETARY'S CERTIFICATE

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of the Lodi Public Improvement Corporation, a California nonprofit public benefit corporation; and
2. That the foregoing Bylaws constitute a full, true and correct copy of the Bylaws of said Corporation in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 9th day of May, 1943.

By Olivia M. Rumsch
Secretary